



General Assembly

January Session, 2001

Committee Bill No. 5812

LCO No. 3866

Referred to Committee on Select Committee on Housing

Introduced by:
(HSG)

**AN ACT ESTABLISHING A REVOLVING RENTAL HOUSING LOAN
FUND FOR THE RENOVATION OF RENTAL HOUSING WITHIN
DISTRESSED MUNICIPALITIES.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) (a) For purposes of this section, (1) "eligible
2 building" means a structure located in a distressed municipality, as
3 defined in section 32-9p of the general statutes, that contains not more
4 than twenty residential units, and may contain an owner-occupied
5 unit, and (2) "eligible costs" means costs incurred to make renovations
6 and repairs to bring an eligible building into compliance with the State
7 Building Code.

8 (b) There is established a revolving loan fund to be known as the
9 "Rental Housing Revolving Loan Fund". The fund shall contain any
10 moneys required by law to be deposited in the fund. Investment
11 earnings credited to the fund shall become part of the assets of the
12 fund. Any balance remaining in the fund at the end of any fiscal year
13 shall be carried forward in the fund for the next fiscal year. Payments
14 of principal or interest on a low interest loan provided pursuant to this
15 section shall be paid to the Treasurer for deposit in the Rental Housing

16 Revolving Loan Fund. The fund shall be used to make low interest
17 loans pursuant to subsection (c) of this section and to pay reasonable
18 and necessary expenses incurred in administering loans under this
19 section. The Commissioner of Economic and Community
20 Development may enter into a contract or contracts with nonprofit
21 corporations to provide for the administration of the Rental Housing
22 Revolving Loan Fund by such nonprofit corporations, provided no low
23 interest loan shall be made from the fund without the authorization of
24 the commissioner as provided in subsection (c) of this section.

25 (c) The state, acting by and in the discretion of the Commissioner of
26 Economic and Community Development, may enter into a contract to
27 provide financial assistance in the form of low interest loans to owners
28 of eligible buildings to make repairs to bring such buildings into
29 compliance with the State Building Code. The commissioner may
30 require owners of eligible buildings who apply for a low interest loan
31 pursuant to this section to submit a copy of the report filed by the
32 building inspector listing code violations, and an estimate of the cost of
33 repairs to correct such violations. The commissioner may establish
34 priorities for the low cost loans provided pursuant to this program,
35 including, but not limited to, types of repairs financed, the location of
36 the eligible building, ability of owners to repay such loans, and the
37 extent to which any repairs will extend the useful life of the eligible
38 building.

39 (d) The commissioner may adopt regulations, in accordance with
40 the provisions of chapter 54 of the general statutes, to specify
41 application procedures and priorities for providing low cost loans
42 pursuant to this section.

43 Sec. 2. (a) For the purposes described in subsection (b) of this
44 section, the State Bond Commission shall have the power, from time to
45 time, to authorize the issuance of bonds of the state in one or more
46 series and in principal amounts not exceeding in the aggregate ten
47 million dollars.

48 (b) The proceeds of the sale of said bonds, to the extent of the
49 amount stated in subsection (a) of this section, shall be used by the
50 Department of Economic and Community Development for the
51 purpose of capitalizing the Rental Housing Revolving Loan Fund
52 established by section 1 of this act.

53 (c) All provisions of section 3-20 of the general statutes, or the
54 exercise of any right or power granted thereby, which are not
55 inconsistent with the provisions of this section are hereby adopted and
56 shall apply to all bonds authorized by the State Bond Commission
57 pursuant to this section, and temporary notes in anticipation of the
58 money to be derived from the sale of any such bonds so authorized
59 may be issued in accordance with said section 3-20 and from time to
60 time renewed. Such bonds shall mature at such time or times not
61 exceeding twenty years from their respective dates as may be provided
62 in or pursuant to the resolution or resolutions of the State Bond
63 Commission authorizing such bonds. None of said bonds shall be
64 authorized except upon a finding by the State Bond Commission that
65 there has been filed with it a request for such authorization which is
66 signed by or on behalf of the Secretary of the Office of Policy and
67 Management and states such terms and conditions as said commission,
68 in its discretion, may require. Said bonds issued pursuant to this
69 section shall be general obligations of the state and the full faith and
70 credit of the state of Connecticut are pledged for the payment of the
71 principal of and interest on said bonds as the same become due, and
72 accordingly and as part of the contract of the state with the holders of
73 said bonds, appropriation of all amounts necessary for punctual
74 payment of such principal and interest is hereby made, and the State
75 Treasurer shall pay such principal and interest as the same become
76 due.

77 Sec. 3. This act shall take effect July 1, 2001.

Statement of Purpose:

To assist owners, renters and distressed municipalities by financing needed repairs that will bring properties into compliance with the building code.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. MARTINEZ, 128th Dist.; REP. GONZALEZ, 3rd Dist.
REP. FLAHERTY, 8th Dist.